

SENATE BILL 3033

By Ramsey

AN ACT to amend Tennessee Code Annotated, Section 65-21-105, to require no less than fully allocated cost-based rates.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 65-21-105 is amended by deleting the section in its entirety and by substituting instead the following:

Section 65-21-105.

(a) Municipal electric systems and rural electric cooperatives shall charge pole attachment rates to a cable television provider that recover no less than a full allocation of the costs attributable to such pole attachments.

(1) The applicable pole attachment rate shall be determined by multiplying the electric system's average annual capital and operating costs per pole by such cable television provider's proportional allocation of the total space on the electric system's average pole.

(2) In calculating the electric system's average annual capital and operating cost per pole, municipal electric systems and rural electric cooperatives shall

multiply the average net plant cost per pole by all carrying charges associated with such poles. Such carrying charges shall, at a minimum, include amounts representing the following costs of the electric system: maintenance, depreciation, administration, tax and tax equivalent payments, and the cost of capital, whether rate of return or cost of debt.

(3) In calculating the proportional allocation of the total space on the electric system's average pole, municipal electric systems and rural electric cooperatives shall allocate to such cable television provider the usable space assigned to that provider, a portion of the safety space in proportion to the average number of non-electric attaching parties on the system, and a portion of the remaining unused portion on the system's average pole in proportion to the average number of attaching parties on the system.

(b) The provisions of this Section shall not apply to any non-profit or cooperatively-owned cable television provider that was providing cable television service on January 1, 2000.

(c) It is the intent of the General Assembly to protect the customers of municipal electric systems and rural electric cooperatives from subsidizing the rates of cable television providers through pole attachment rates that recover less than a full allocation of the costs of such pole attachments, and this Section shall be construed liberally in accordance with the foregoing purpose.

SECTION 2. This act shall take effect upon passage, the public welfare requiring it.